

SPECIAL ISSUE

AMERICA'S LARGEST CORPORATIONS FORTUNE

DISPLAY UNTIL JULY 21, 2008

500

**CAROL LOOMIS
ON CITIGROUP'S
RISE AND FALL**

(PAGE 80)

**AMAZON.COM'S
WINNING STRATEGY**

(PAGE 126)

**CONOCOPHILLIPS
DRILLING FOR
OIL IN THE ARCTIC**

(PAGE 96)

**JIM COLLINS ON
HOW TO STAY GREAT**

(PAGE 72)

**THE BEST
INVESTMENTS
IN THE 500**

(PAGE 105)

**A FIRST LOOK AT
BOEING'S STUNNING
DREAMLINER**

(PAGE 180)

\$4.99US \$5.99CAN



0 70989 10035 0 19>

FORTUNE.COM

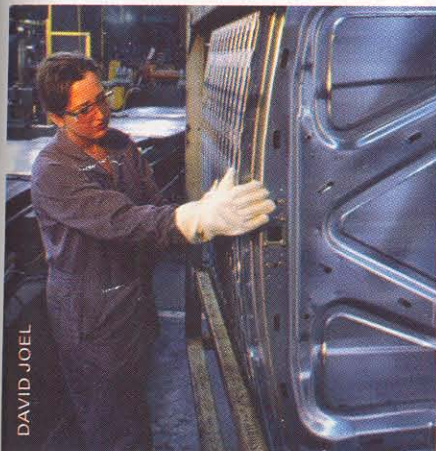
Tennessee

When it comes to attracting new business, the state gives new meaning to the words "Southern Hospitality."

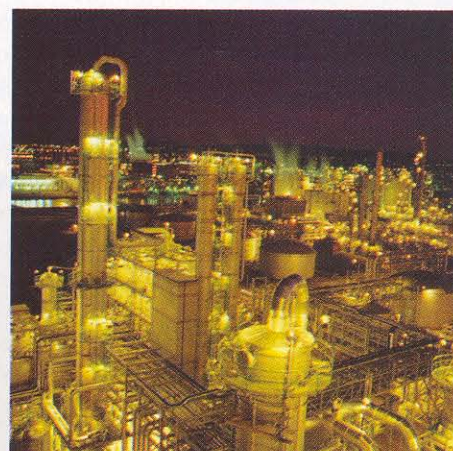


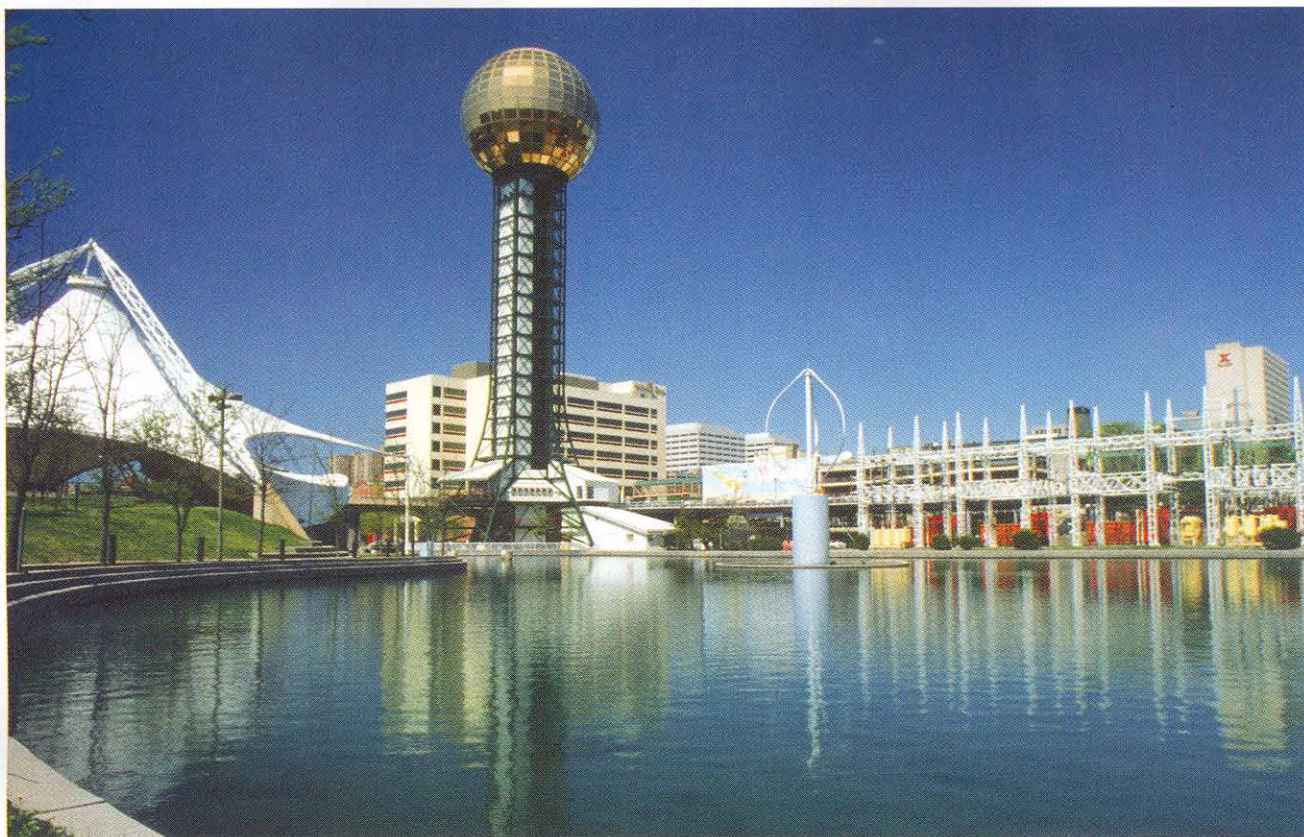
JERRY DRIENDL

In partnership with:



DAVID JOEL





The first time Carlos Ghosn, president and CEO of Nissan Motor Co., had a serious face-to-face discussion with the economic development team from Tennessee, he received a warm welcome. "Mr. Ghosn came to Nashville in May of 2003 to explore options for the future," says Matt Kisber, commissioner of Tennessee's Department of Economic and Community Development (ECD). "Nissan already had made significant investments in two manufacturing operations in Tennessee, and he was interested in greater operational synergies."

It was Ghosn's first opportunity to meet with Tennessee Governor Phil Bredesen, a Harvard-educated entrepreneur who was eager to build a relationship with Ghosn and to talk about his state's business climate and Nissan's 25-year history in Tennessee. "To show him what the state had to offer, we took over a learning center at Vanderbilt University and turned it into a temporary museum," says Kis-

ber. "We ran video testimonials from business leaders about living, working, and moving to Nashville. We had displays that focused on the music, professional teams, and businesses that call Nashville home. We even had a sidewalk café featuring local foods."

Later, discussions took place within Nissan about building greater collaboration between its headquarters in California and its manufacturing base in Tennessee. In November 2006, Nissan decided to move its North American headquarters to greater Nashville. At that point, Tennesseans traveled to Los Angeles to meet with Nissan employees to inform them about the state and the Nashville area. They set up a resource room at Nissan's L.A. headquarters, assisted with employee familiarization trips, and provided resources on lifestyle subjects from recreation and real estate to education and entertainment.

ber. "We ran video testimonials from business leaders about living, working, and moving to Nashville. We had displays that focused on the music, professional teams, and businesses that call Nashville home. We even had a sidewalk café featuring local foods."



▲ Governor Phil Bredesen

A Business Magnet

Tennessee is a state that will do what it takes to attract business. While there's no denying that the governor and ECD have a flair for sell-

YOU CALL IT TENNESSEE. WE CALL IT MISSION CONTROL.



On April 17, 1973, we flew our first plane-load of packages out of Memphis. Today FedEx delivers to over 220 countries, but we still call Tennessee home. As one of the state's largest employers, in the city with the world's busiest cargo airport, FedEx is proud to be part of helping Tennessee become the world leader in distribution, logistics and transportation.



▲ Eastman Chemical operates the longest continually producing gasification facility in the U.S.

► The Torchbearer at the University of Tennessee symbolizes knowledge and light.

◀ Tennessee's Greek Revival Capital Building, completed in 1859, sits on a hill in downtown Nashville.



ing, the state in many ways sells itself. "There are two key aspects to successful economic development," says Governor Bredesen. "One, you've got to market your state as a product. Two, you've got to have a great product." As it happens, Tennessee has what it takes—a business-friendly government, great logistics, a dedicated workforce, low tax rates and cost of living, vast scientific resources, temperate weather, and a good quality of life. If the friendly, can-do attitude of Tennesseans doesn't appeal to you, the great country music and delicious barbeque surely will.

One of the state's biggest attractions is the cooperation that businesses experience at all levels. In 2003 Governor Bredesen created a

If the state's friendly, can-do attitude doesn't get to you, the great country music will.



12-member Jobs Cabinet consisting of commissioners from seven state departments plus representatives from higher education and business trade groups. Their goal: to work together to improve the business climate in the state and stimulate economic growth. In addition, Governor Bredesen launched his FastTrack initiative, a program that streamlines the process and reduces the cost for companies seeking to create jobs. FastTrack provides reimbursement for job training and funds for new roads, sewage facilities, electricity, and telecommunications systems.

As part of these initiatives, ECD is required

We're Proud to make our home in the Volunteer State.

CARING
for the environment

At Bridgestone Americas, we take pride in our contributions to the environment. The Bridgestone Firestone Centennial Wilderness we donated to Tennessee provides a 10,000-acre protected habitat for many endangered species, as well as hardwood forests, waterfalls and hiking trails for people to enjoy. We are honored to have received recognition for our environmental commitment, including the Tennessee Natural Heritage Conservation Award; Industrial Conservationist of the Year, Tennessee Conservation League; and the Wildlife Habitat Council's award for Excellence in Environmental Protection and Wildlife Habitat Restoration.

COMMITTED
to teammate safety

Ours are the only tire plants to have received OSHA's highest honor. Seven Bridgestone Firestone facilities have earned OSHA VPP STAR status. In addition to awards for quality and safety from major automotive manufacturers in the state, we have earned the Governor's Award for Excellence over the past three years.

CONTRIBUTING
to the community

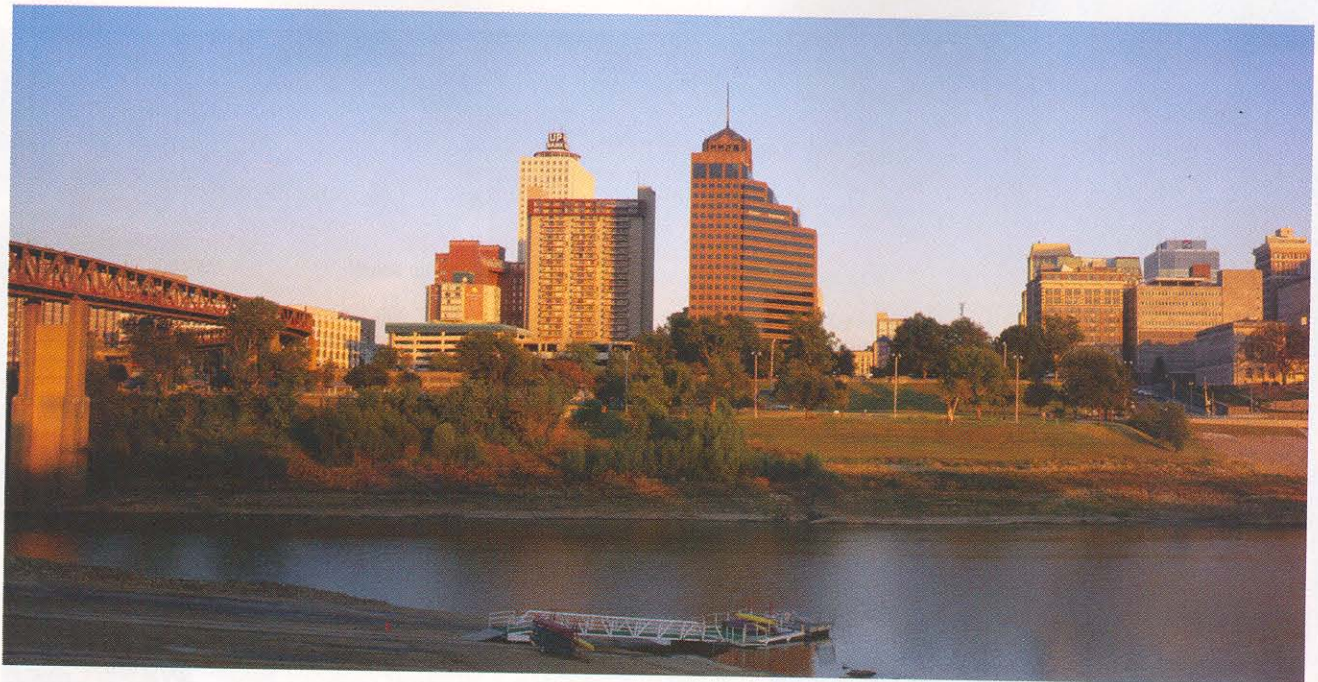
In 2007 alone, the Bridgestone Firestone Trust Fund donated more than \$450,000 to charitable organizations in Tennessee. Our teammates have also given their time to worthy causes such as school reading programs, wildlife restoration and Habitat for Humanity.



Bridgestone Americas Holding, Inc., Bridgestone Firestone North American Tire, LLC, and Bridgestone Firestone Latin American Tire Operations make up the family of Bridgestone companies headquartered in Tennessee. Our operations employ nearly 5,000 Tennesseans. We have invested more than \$1 billion in this great state. We're committed to supporting Tennessee... the state we call home.

At Bridgestone Americas, great products and great people are at the heart of everything we do.

BRIDGESTONE **Firestone**



to respond to any business relocation or expansion proposal within 72 hours. Quick turnaround is appealing to companies seeking land permits or access to government incentives, such as its jobs tax credit, without encountering the usual bureaucratic red tape. "In the business world, an executive's decisions can be as much about certainty and speed as the specific details of a strategic move," says Governor Bredesen. "You can't live when decisions that should take a month wind up taking a year. FastTrack is our way of saying to companies, 'We don't know if you'll always like the answer you get from us, but you will get it expeditiously.'"

To ensure that most businesses do like the answers they get, FastTrack also requires ECD to customize incentive packages to companies' specific needs. "The notion that one size doesn't fit all is pretty pervasive in our business," the governor says. "I had the experience once of sitting in a presentation by some economic development people from another state before I was governor. Basically they said, 'Let me explain the rules. Here's how you apply and here are the things we'll consider doing for you.' It was the singularly least attractive presentation I could imagine. It was a bureaucratic-mentality kind of approach. I promised myself if I ever got into a position

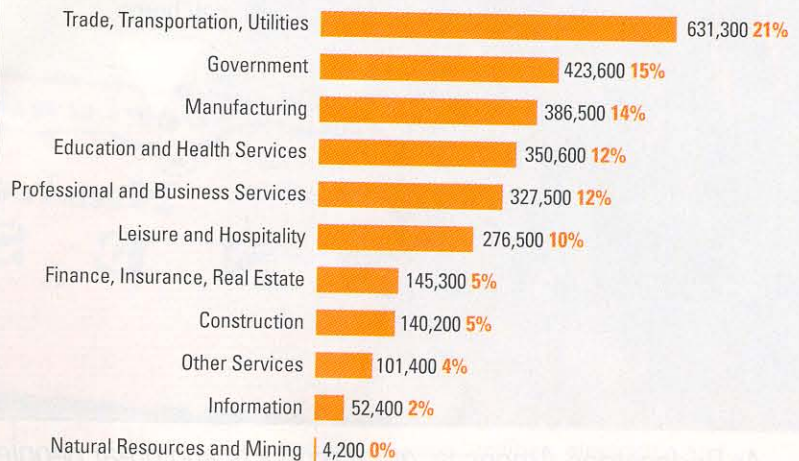
▲ Mark Twain described Memphis as "a beautiful city, nobly situated on a commanding bluff overlooking the river."

to do things differently, we were going to be more businesslike. So like a good marketer I say, 'Forget about me. How can I help you solve your problem?' That's my job."

One benefit of the state's accommodating attitude is that relocation deals can often take place at lightning speed. "One Friday last year we heard that Black & Decker was plan-

The Tennessee Workforce

Nonagricultural employment by industrial sector*



*January 2008

Source: Tennessee Department of Labor and Workforce Development



AMERICA COMPETES. TENNESSEE WINS.

THE UNIVERSITY of
TENNESSEE **UT**

**OAK
RIDGE**
National Laboratory

NESTLED IN A BEND OF THE TENNESSEE RIVER NEAR THE Oak Ridge National Laboratory and the University of Tennessee, Knoxville, is **Cherokee Farm**. This 200+ acre site, where the nation's newest research campus will soon sit, will be the new home for competitiveness in America—and the world.

The University of Tennessee—Oak Ridge partnership and other research and business entities already are forging the future through leadership in neutron research, biofuels initiatives, computational science, and more. We welcome new partners to join us in scientific discovery, cutting-edge research, and economic growth as America competes in the innovation economy of the 21st century.

The **FUTURE** lives here. Shouldn't you?

<http://www.tennessee.edu/system/cherokee/>



ning to move some jobs from another state to Mexico," says ECD's Kisber. "We had a conference call with the company that day and were told if we could put together the right incentives by Monday afternoon, Black & Decker would consider moving to Tennessee. So over the weekend I got together with my counterpart at the Department of Revenue and we created a package that included some policy changes the company needed regarding our Jobs Tax Credit. We presented the package on Monday. By Wednesday, Black & Decker announced it was moving to Jackson instead of Mexico."

In addition to Nissan, 40 or so other large companies—including Verizon Wireless and International Paper—have set up headquarters in Tennessee since Governor Bredesen took office in 2003. All told, a total of 4,495 companies have expanded in or moved to Tennessee since then, bringing with them 141,000

▲ New cars roll off the Nissan assembly line in Smyrna.

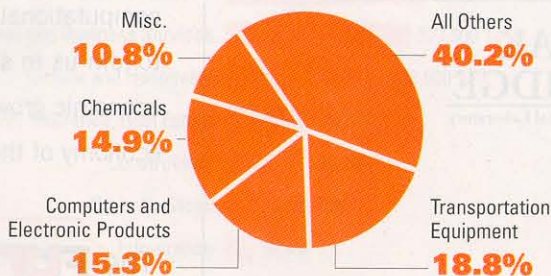
jobs and more than \$21 billion in new business investment. The moves have paid big dividends. "Tennessee leads the Southeast in the growth of corporate tax collections since 2003, and it's all been through organic economic growth," says Kisber. "Our corporate tax revenues have doubled to \$2 billion in five years without any tax rate increase."

Some of the corporate expansions within Tennessee are as economically significant as the relocations. Last September Scripps Networks—the E.W. Scripps Co. television subsidiary that manages the Food Network and HGTV—announced a \$30 million expansion at its main Knoxville campus. The project, scheduled to be completed in 2010, will bring hundreds of new jobs to the Knoxville area and will nearly double the company's office space, from 189,000 to 340,000 square feet. "We will now have a world-class facility from which to operate, including an expanded data center and state-of-the-art technical infrastructure," says John Lansing, president of Scripps Networks.

Always mindful of the environment, Scripps will employ green building practices during the expansion and plans to build a nature trail that will lead to a beautiful lake on the campus for employee enjoyment. The company also recently opened a new 7,200-square-foot TV studio in Nashville for its Great American Country Network. "When we purchased Great American Country in 2004, our goal was to see it become America's country music source,"

Tennessee Exports

\$21.8 billion of goods left the state in 2007



Source: Tennessee Department of Economic and Community Development



A family of hospitals.
For families in Tennessee
and across the country.

The HCA Family has been providing quality healthcare since 1968. Today we are a leader in innovative healthcare technology, providing Patient Safety initiatives which are available at only 1% of the nation's hospitals. Our family includes more than 190,000 dedicated employees at about 190 hospitals and 80 surgery centers, all working together to provide the best in healthcare. It's an ongoing commitment to families across the nation, renewed daily by our family.

HCA

Hospital Corporation of America™

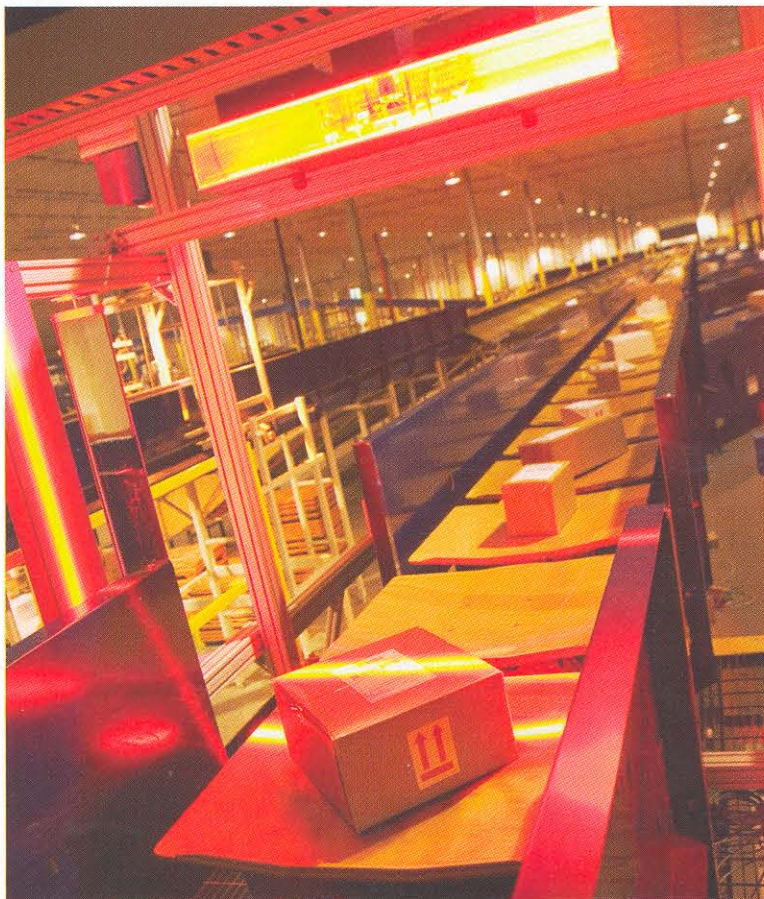
says Lansing. "The place to make that happen is on Music Row in Nashville."

Along with low corporate taxes, companies moving to or expanding within Tennessee are enthused about the recent workers' compensation reforms that have aligned the state's program to those in other states. They also like that Tennessee ranks 47th in per capita tax



◀ A Bridgestone Firestone teammate gives a tire its final inspection at the company's plant in LaVergne.

▼ Packages move down the line at the FedEx superhub at the Memphis International Airport.



burden in the nation, a big reason it's so attractive to executives seeking to relocate their headquarters. "The fact that we're a state with no income tax and a generally low cost of living makes a lot of high-paid executives say, 'Man, I can really live well in Tennessee,'" says Governor Bredesen.

A Transportation Hub

The state's location is another big draw. "From Tennessee," says Kisber, "you are within a 500-mile radius of 75% of the nation's population. That makes it a very attractive place to manufacture and distribute goods." In many respects, the state is a logistician's paradise. Its 1,105-mile interstate system, encompassing seven major highways that crisscross the state, is ranked sixth in the nation in cargo carried by trucks. The state also has six major rail lines, six commercial airports, 78 public airports, and 888 miles of navigable rivers for transporting goods.

Such logistic resources are attractive not just to companies looking to relocate but to residents as well. Eastman Chemical Co.'s main plant has been in Kingsport, Tenn. since 1920 when George Eastman of Eastman Kodak fame founded the chemical giant. "We're the 25th-largest exporter in the U.S.," says Betty Payne, Eastman's corporate communications representative. "Being at the crossroads of two major interstates that lead to ports in Savannah and Charleston really helps." Eastman execs like the Kingsport location so much that they recently gave the go-ahead to "Project Reinvest," a plan to invest \$1.3 billion to upgrade all the equipment at the Eastman plant over the next five years.

The crown jewel of Tennessee's logistics system is the Memphis International Airport. The world's busiest cargo airport for 15 consecutive years, it handled some 4.1 million tons of cargo in 2007. Much was carried by FedEx, which uses the airport as its primary North American superhub. Thanks to the company's massive operations, the airport had a \$21.7 billion economic impact on Tennessee last year. One in four jobs in Memphis can be linked to the airport.

Many FedEx planes set down in Memphis late in the evening, and tracking them on the air traffic controllers' screens is like watching

Scripps expands media vision

The plans were first drawn up on the back of a cocktail napkin—a cable network devoted to everything about the home, inspired by a media executive laboring through his third home renovation. That simple concept ultimately expanded into a suite of the most popular lifestyle brands in television.



▲ HGTV's *Design Star* will film in Nashville for its third season. Kim Myles, winner of last year's competition, now hosts *Myles of Style* on HGTV.

Since launching HGTV in 1994, Ken Lowe's idea has evolved into five powerful brands—HGTV, Food Network, DIY Network, Fine Living, and Great American Country—each with a passionate audience. Together, they comprise Scripps Networks, the dominant media and marketing company in the home, food, and lifestyle categories.

Scripps Networks has turned the once-daunting tasks of home buying, remodeling, and decorating—as well as cooking and entertaining—into spectator sports. Consumers trust these brands to provide relevant ideas, information, and entertainment that help them lead better lives.

"What sets us apart is the totally engaging nature of our television programming and online content," says Lowe, now president and CEO of Scripps Networks' corporate parent, The E.W. Scripps Co. "Viewers tell us our networks are addictive, which is no accident. From the start, we focused on delivering lifestyle content that people deeply care about. What's more fundamental in our lives than home and food?"

In today's media-crazed environment, Scripps Networks is connecting with consumers on multiple platforms—television, the Internet, satellite radio, books, magazines, in-store, and the latest mobile and emerging media—to provide value to its distribution partners and advertisers who want nothing more than to reach the audiences these brands serve.

Scripps Networks' interactive properties represent the newest growth area for the company. The award-winning websites complement the TV networks, providing programming information and detailed instructional content. Moreover, they serve as exciting destinations for original content, engaging video, and powerful interactive tools. HGTV.com and FoodNetwork.com are the No. 1 content providers on the web in the home and food categories, respectively, and the 2007 acquisition of RecipeZaar.com along with the relaunch of FoodNetwork-Store.com give Scripps Networks a major share of the food genre on the Internet. Similarly, the launch of FrontDoor.com further builds on HGTV's real estate expertise. On average, Scripps Networks' interactive properties attract about 16 million unique visitors every month.

The popularity of HGTV, Food Network, and Scripps' other brands has created new opportunities through licensing and in-store merchandising. In 2007, Food Network-

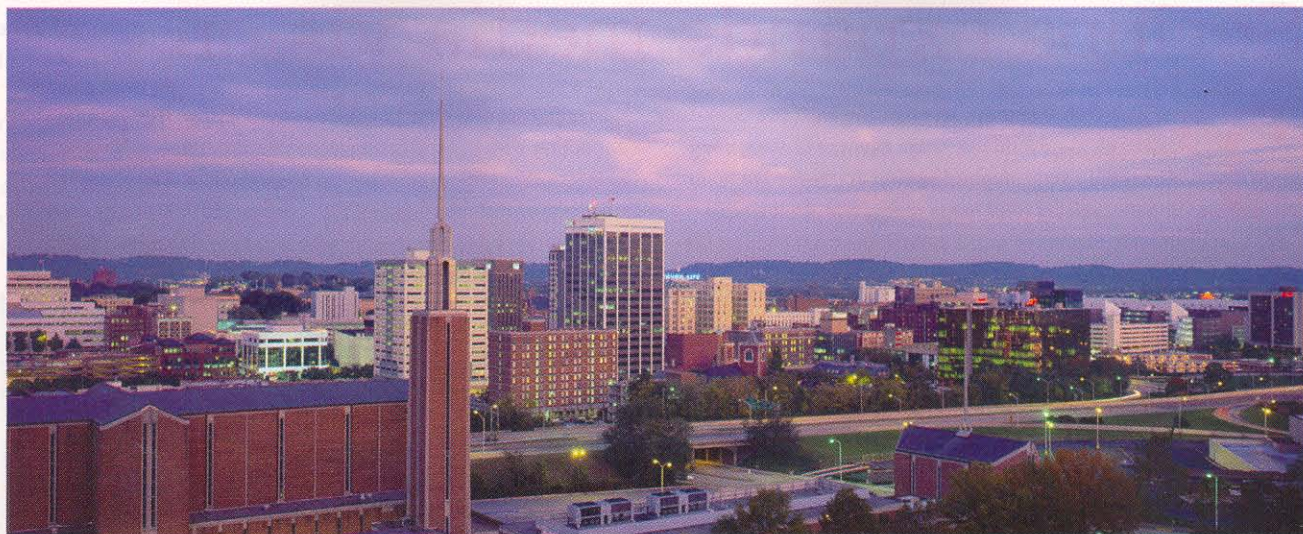
branded kitchenware went on sale in Kohl's stores across the country. Earlier this year, HGTV and the National Home Furnishing Association introduced the Preferred Retailer Program to help consumers make informed decisions regarding furniture purchases.

"We have developed tremendous trust with consumers, which transcends media," says John Lansing, president of Scripps Networks. "We're actively exploring partnerships that will leverage the power of our brands with products and services, in stores and at consumer events, to create new revenue streams."



Ken Lowe

The E.W. Scripps Co. is finalizing plans to separate into two publicly traded companies. The market-leading local TV and newspaper media will remain with The E.W. Scripps Co., while the national lifestyle media brands led by Scripps Networks will form a new company known as Scripps Networks Interactive, headed by Ken Lowe.



a massive flock of birds returning to the nest. Most of the airport's employees work the night shift. "Between our pilots, mechanics, handlers, and everyone working in the global command and control center, we employ close to 15,000 people at nighttime," says David Bronczek, president of FedEx Express, the company's express delivery subsidiary. "It's truly remarkable to see them all working together at one or two in the morning to get the packages out on time."

FedEx, which rewards its employees for their hard work, was named one of *Fortune's* 100 Best Companies to Work For in 2008. There are lots of reasons for the honor, including the fact that the company offers health

▲ Chattanooga is nationally recognized for its downtown revitalization.

insurance to retirees and part-timers, and promotes from within. Some 90% of FedEx Express managers worked their way up. "We pride ourselves on our people, and of course the heart and soul of our workforce is right here in Tennessee," says Bronczek. "It's because of them that our airport has been recognized as one of the most efficient, best-run airports in the world. It's also why we received our ranking from *Fortune*."

The Boom in Health Care

The proximity of an airport that boasts an average flight time from Memphis to the rest of the United States of just two and a half hours is obviously attractive to many companies that are required to deliver goods in a rush. Memphis ranks second in the nation in the production of orthopedic devices. "Because artificial hips and other prosthetic devices are uniquely constructed to each patient's needs, hospitals don't inventory them," says John Moore, CEO of the Memphis Regional Chamber of Commerce. "Instead, doctors ask for a specific size and material for each device, and they expect it to be shipped for surgery the next day."

Globally, prosthetics is a booming, \$12 billion-a-year business, and Memphis' employment in the medical-device industry has grown 50% since 1999—more than four times the national growth rate. But Memphis is hardly alone as a major player in health care. The entire state is the national leader in hospital management. "Almost half of all the for-profit

A World-Class Business Location

TVA, the nation's largest public power provider, has a proud history of providing reliable electricity and stimulating economic growth for the past seventy-five years. TVA works with local power companies, the State of Tennessee, regional agencies, and communities to showcase Tennessee's assets and provide location assistance that helps you take the shortcut to a world-class business location and find the optimal spot for your business start-up or expansion. Tennessee's business-friendly climate, central location, and extensive transportation network are advantages for successful businesses. Contact us to find your best shortcut to business growth.

TVAed.com • TVA sites.com • 615.232.6225



hospital beds in the U.S. are managed from the state of Tennessee," says ECD's Kisber. By itself, the middle Tennessee area is home to more than 300 health-care companies, with Nashville the focal point. According to the Nashville Healthcare Council, in 2006 Nashville-based health-care companies accounted for nearly \$80 billion in worldwide revenues.

With 180,000 employees worldwide and \$27 billion in 2007 revenues, health-care provider HCA is by far the leader of Nashville's health-care industry. It's also its founding father. A Nashville Healthcare Council chart of local health-care companies entitled "Family Trees 2007" reveals literally hundreds of companies that have either been spun-off from HCA or founded by former HCA employees. Headquartered and run from Nashville since 1968, the company also owns hospitals throughout the U.S., mainly in rapidly-growing cities like Dallas and Salt Lake City. "We provide about 5% of all the hospital care in the country," says HCA CEO Jack Bovender, Jr. The company's hospitals deliver 225,000



▲ The Ryman Auditorium in Nashville is known as the "Mother Church" of country music.

babies each year, the same number delivered per year in Australia.

Bovender believes one of the greatest benefits of being located in Nashville is the ability to draw upon the deep talent pool of the community. "Whether you need someone who understands health-care information

COMDATA®

Payment Innovation

Where Innovation Takes Place

Industry leaders rely on Comdata's expertise in payment solutions to help them solve critical business challenges. Our solutions redefine the way companies control spending on business purchases, pay their employees, streamline payments and process merchant transactions – to successfully improve their bottom lines.

We are proud to call Tennessee home since our founding nearly forty years ago. It's the dedicated and talented Comdata® associates that bring payment innovation to life. Tennessee – a place where innovation begins.

1.800.COMDATA

www.comdata.com



technology or has the financial skills to manage a hospital, there is a vast workforce here that has the education and talent to get the job done," he says. One of HCA's latest projects that takes advantage of the local talent is the deployment of an electronic medication administration system throughout its hospitals via bar-coded medications, patient armbands, and scanners. "Our clinical services group developed bar coding for bracelets, which allows nurses to scan patients before giving any medicine to ensure the right patient receives the right dose of the right medication at the right time," Bovender says.

Meeting of the Mind

There's no shortage of cutting-edge medical and scientific research in Tennessee, thanks in large part to the University of Tennessee (UT), which operates campuses in Knoxville, Memphis, Chattanooga, Martin, and Tullahoma. Cherokee Farm—an innovative 220-acre research campus that UT is developing adjacent to its Knoxville campus for both academic and private-sector research—is about to join the family. By inviting companies into the space, the university hopes to turn academic research into commercial opportunities.

Cherokee Farm will play a role in UT's research future—computational sciences, biomedical research, advanced materials, and environmental and climate science studies. Key to its success is the Oak Ridge National Laboratory (ORNL), just 22 miles away. Famed

Doing Business in Memphis

If you are considering a business relocation or expansion in the near future, here are just a few of the reasons you should take a look at Memphis. Located at the crossroads of America, on the Mississippi River, Memphis offers a lower cost of doing business and abundant resources to help make your company more profitable.

Home to corporate giants like FedEx, International Paper, AutoZone, and ServiceMaster, Memphis has the largest air cargo airport in the world, access to five class-one railroads, the fourth national largest inland port, and is closer to more major markets overnight by truck than any other city in America. Memphis also offers the lowest-cost industrial real estate in the country.

To learn more about doing business in Memphis, and to discuss opportunities for your business, please call the Memphis Regional Chamber at (901) 543-3516 or log on to www.memphisdelivers.com.



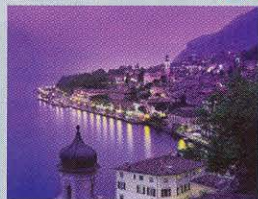
"Almost half of all the for-profit hospital beds in the U.S. are managed from Tennessee."

for its work on the Manhattan Project during World War II, ORNL is jointly managed and operated by UT and Battelle Memorial Institute through a not-for-profit company, UT-Battelle LLC. With an annual budget that tops \$1 billion, ORNL employs 4,000 scientists and staff who work in almost every imaginable field—from neutron science to genetics and computational science. "The research campus will allow companies to be located near the world's most capable teams of investigators," says David Millhorn, UT's executive vice president.

There is a constant exchange between ORNL and UT; scientists who work at the lab often teach and conduct research at the university, and vice versa. The results of their joint efforts have already produced many commercial ventures. "Since we started managing the lab in 2000," says Millhorn, "73 new companies have been launched based on intellectual property from joint efforts between Oak Ridge and the university."

The partnership will grow further with the soon-to-be-completed supercomputer at the UT-ORNL Joint Institute for Computational Sciences. Scheduled to be up and running this fall, the supercomputer will be among the nation's most powerful, able to make a staggering 1,000 trillion computations per second—or, in geek speak, one "petaflop." Among other things, UT and ORNL scientists plan to use it to make simulations of supernova and galaxy formations, predict extreme weather and climate change, and test the efficacy of new drugs.

Global Supply Chain Logistics



Ozburn-Hessey Logistics, one of the world's largest global supply chain management companies, is proud to call Tennessee home. For more than half a century, we have thrived on solving logistics challenges, cultivating long-term relationships with our clients.

As one of Tennessee's fastest-growing businesses, OH Logistics is prepared to expand into any market or area based on clients' needs. Our logistics solutions are flexible, scalable and offer visibility throughout the supply chain, resulting in increased productivity and cost savings.

For seamless domestic and international supply chain management services, the choice is clear—Ozburn-Hessey Logistics. Count on us™. www.ohlogistics.com



Cherokee Farm is but one of many promising ventures in development by UT. The Tennessee Biofuels Initiative is a UT venture which has received more than \$70 million in state funding to develop a commercially viable cellulosic ethanol program. Together with the Department of Energy's new Bioenergy Science Center to be built at Oak Ridge, Tennessee is a national leader in research and development in the use of biomass to create an alternative transportation fuel.

Developing a Biofuels Industry

If Governor Bredesen has one goal that goes beyond the bounds of the state, it's to reduce America's dependence on foreign oil. A scientist by training—he studied physics in college—Bredesen is a big believer in alternative biofuels, although unlike many he doesn't think corn-based ethanol is the answer. "With corn, you end up spending a barrel of oil to get a barrel and a half of ethanol," he says. "You're not really addressing the issues of fossil fuel depletion or global warming."



▲ TVA's Fort Loudoun Dam makes the most of Tennessee's vast river network.

Instead, the governor is developing an ethanol program based on switchgrass, which can produce more biomass energy and grows in soil not suitable for agriculture, thus avoiding the current food-versus-fuel debate over corn. Better still, it is a high-yielding crop native to the state that is both drought- and flood-resistant. "This is a very good state for growing switchgrass," the governor says. "We've got

SCOTT JOHNSON

Our Secret Ingredient: Our People

Celebrating 25 years of industrial gasification expertise.

Eastman is at the forefront of the chemical industry. We have achieved this status with cutting-edge technologies, patented processes, and most importantly, the best workforce in the industry.

Eastman people are leaders. We're not the largest chemical company. We don't have the most locations. But thanks to the commitment of our employees and alumni, we are one of the best chemical manufacturers in the world.

Eastman people are definitely the most important factor in our success. These dedicated men and women use the technologies and develop the patented processes that make us successful.

EASTMAN



good sunshine, good rain, good soil. We've also got real technical expertise in what it takes to produce cellulosic ethanol at the Oak Ridge lab and the UT School of Agriculture."

The state's biofuels experts are not likely to lack for resources. The Department of Energy is already investing \$125 million at Oak Ridge to build a biofuels research center that will focus on the science of converting switchgrass to ethanol. At the same time, the state is pouring millions more into an initiative that will reward farmers for growing switchgrass and help pay for a biofuels refinery that will produce five million gallons of "grassoline" per year. Ultimately, the goal is to produce one billion gallons a year and turn switchgrass into a major crop for the state.

The Good Life

Tennessee, clearly a great place to do business and develop new technology, is also a great place to live. According to the ACCRA Cost of Living Index, the median price of a home in the state was \$123,100 in 2006, ranking 36th among the 50 states; that's about one-fifth of the \$535,700 it takes to buy a median house in California. The costs of food, electricity, and health care in the state are typically 80% to 90% of the national average.

If you like music, you can enjoy Nashville's country superstars at the Grand Ole Opry. The city's new \$124 million state-of-the-art Schermerhorn Symphony Center, named in honor of the late maestro Kenneth Schermer-

Passionate About Health Care



Herb Fritch
Chairman and CEO

HealthSpring is the largest Medicare Advantage plan based in Tennessee, serving more than 50,000 of the state's Medicare beneficiaries. More than 700 Tennesseans are employed at our Nashville headquarters and Tennessee plan offices. What began in Tennessee has now become one of the nation's fastest-growing Medicare managed care companies, with a national membership of 400,000. HealthSpring has been publicly traded since February 2006. We are passionate about improving the health of the communities we serve by focusing on quality care, partnering with local physicians and providing superior, affordable benefits to members. HealthSpring is proud to be a Tennessee success story.



HEALTHSPRING

More from Medicare. More from life.

The state's beauty and low cost of living make it easy for businesses to attract talent.

horn, who led the Grammy Award-winning Nashville Symphony for 22 years, has among the best acoustics in the nation. Rock 'n' roll and blues fans can find their roots in Memphis and stroll through Graceland, which, with some 700,000 visitors a year, is the second most-visited home in America (after the White House). And while you're in town, stop by the Rendezvous, known around the world for its dry-rub barbecue, or Jim Neely's Interstate Bar-B-Que for a pulled pork sandwich that *People* magazine rated as the second-best in the country.

Tennessee also has a great historical legacy, and Chattanooga is one of the stars. A vital railroad center during the Civil War, the city was known by the Union Army as the "Gateway to the Deep South." As President Lincoln saw it, "Whoever controls Chattanooga will win the war." After a bloody battle in neighboring Chickamauga, Ga., the Union Army retreated to Chattanooga to regroup in September of 1863. In November, it rallied to defeat the Confederates in the Battle of Lookout Mountain, which overlooks the Tennessee River. The musket fire was so thick it created a ring of smoke around the entire mountain.

Upward of 900,000 people a year visit the Chickamauga and Chattanooga National Military Park, the nation's first and largest military historical park. Chattanooga has also become a prime destination for retirees looking to relocate to a city with history, charm, and a low cost of living. "We were the first city in Tennessee

www.ornl.gov

**OAK
RIDGE**
National Laboratory

Solving the Big Problems

Proud to Call Tennessee Home



Tennessee is the perfect location for Nissan's Americas headquarters. With our sales, administrative, and manufacturing facilities all located in the same place, we expect to realize

many synergies in our day-to-day operations. Middle Tennessee is a thriving economic region that offers the skilled workforce, excellent logistics, and infrastructure critical to the success of an automotive company such as Nissan.

This year, Nissan is celebrating its 50th anniversary in the United States. Tennessee has been an integral part of our history. It's where we will mark two other important milestones, with the 25th year of manufacturing in our Smyrna plant and 10th year in Decherd. In July we will inaugurate our new Americas headquarters in Franklin. Tennessee is a very attractive place to do business and Nissan greatly values its partnership with the state. NissanUSA.com

NISSAN

to be certified by the American Association of Retirement Communities as a retirement destination," says J. Ed Marston, vice president of the Chattanooga Area Chamber of Commerce. "We've got very affordable housing. You can be a police officer in New York City and buy a manor here by selling your house there."

One of the big things retirees from up North love about Tennessee is its temperate weather, which, although considerably warmer than the North, still has four seasons. "Comdata has called Tennessee home since its inception nearly 40 years ago," says Brett Rodewald, president of Comdata, a subsidiary of Ceridian Corp., a billion-dollar information services and human resource management company. Headquartered in Brentwood, Comdata provides corporate payment solutions for the transportation, retail, and other major industries. "Out of the four states I've lived in, Tennessee is the best. The topography is beautiful and the weather is perfect. You don't get too much winter or too much summer, and traffic is minimal."

A Great Work Ethic

But the best thing about Tennessee is its people—friendly, down-to-earth, hard-working, and caring. Such an attitude leads to employees who tend to stay with companies for life. "When I worked for a bank in another state, we always had a lot of turnover," says Rodewald. "Here the folks want to stay. Comdata has a very low attrition rate." Rodewald isn't the only

Retirees are discovering Tennessee's mountains, lakes, and mild climate.

executive to sing such praises. "This is a part of the country where people have old-fashioned values," says Dan MacDonald, director of media relations at tire manufacturer Bridgestone Firestone in Nashville. "They believe in working hard and being loyal to their employer. There's a lot of pride in their work, and that pride is a reservoir of strength for our company. Our teammates really care about making a world-class product. They come in every day and give 110% of themselves to the job."

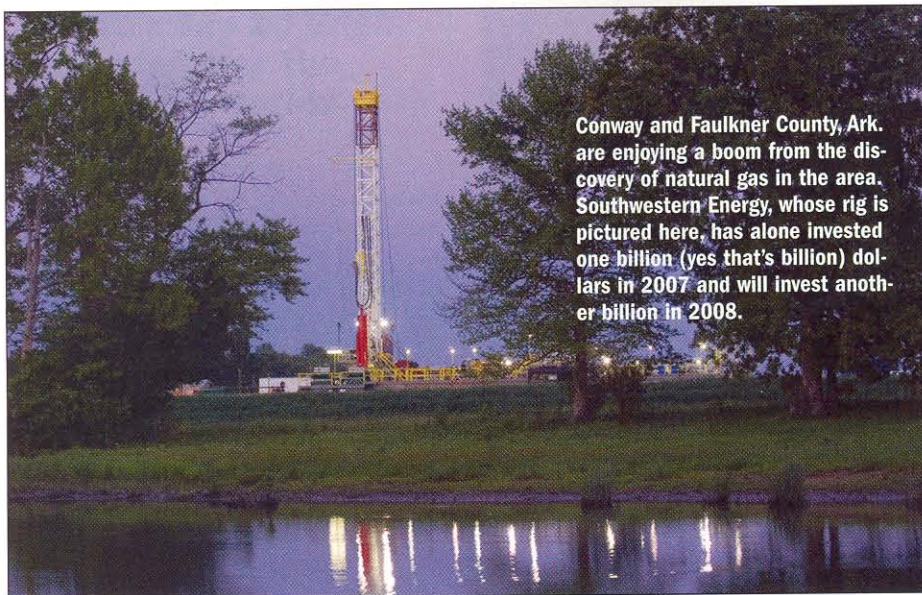
Because employees are so loyal to Bridgestone Firestone and its parent company, Bridgestone Americas, the company goes out of its way to reciprocate. "Bridgestone is extremely active in every civic or charitable cause I encounter during the course of the year," says ECD's Kisber. More important than just donations, the company becomes part of worthwhile projects. "We build Habitat for Humanity homes every year, and get involved with Keep America Beautiful, Meals on Wheels, and adopt local schools," says MacDonald. "Our business speaks for itself. And because we're successful, we believe in giving back. Enhancing the quality of life in Tennessee is very important to us."

It's an attitude like this—shared by many of the state's businesses—that makes Tennessee a great place to live and work. —Lewis Braham

For more information about our Economic Development sections, contact Linda Lydon at 617.954.9420. To order reprints, contact Jo Mattern at 212.522.2582.

Web Directory

- ❖ **Tennessee Department of Economic and Community Development** www.tnecd.gov
- ❖ **Bridgestone Firestone** www.BridgestoneAmericas.com
- ❖ **Comdata** www.comdata.com
- ❖ **Eastman Chemical** www.eastman.com
- ❖ **FedEx** www.fedex.com
- ❖ **HCA** www.hcahealthcare.com
- ❖ **HealthSpring** www.healthspring.com
- ❖ **Memphis Regional Chamber** www.memphisdelivers.com
- ❖ **Nissan North America** www.nissan-usa.com
- ❖ **Oak Ridge National Laboratory** www.ornl.com
- ❖ **Ozburn-Hessey Logistics** www.ohlogistics.com
- ❖ **Scripps Networks** www.ScrippsNetworks.com
- ❖ **Tennessee Valley Authority** www.TVAed.com
- ❖ **University of Tennessee** www.tennessee.edu



Conway and Faulkner County, Ark. are enjoying a boom from the discovery of natural gas in the area. Southwestern Energy, whose rig is pictured here, has alone invested one billion (yes that's billion) dollars in 2007 and will invest another billion in 2008.

York County, S.C.

Edge Market of Charlotte

York County offers the best of what North Carolina and South Carolina have to offer. Located just a few miles south of Charlotte across the South Carolina state line, it combines a Charlotte metro location (home to nine Fortune 500 companies and the nation's second-largest financial market) with South Carolina incentives. The area provides easy access to Charlotte Douglas International Airport and is crisscrossed by two interstates, I-77 and I-85.

With its many advantages, York County has averaged more than \$200 million annually in industry and business development since 1995. County leaders attribute this to proximity to Charlotte, targeted industry plans and aggressive use of incentives. Among York County's leading employers are Wells Fargo Home Mortgage, CitiFinancial, Tyco Electronics, and Ross Stores, which chose the York County market for a sizable distribution center.

Clarksville, Tenn.

Edge Market of Nashville

Clarksville is located 35 minutes northwest of Nashville on Interstate 24 and only 40 minutes from the Nashville International Airport. It boasts Middle Tennessee's only TVA-Certified Megasite, Commerce Park, with more than 1,215 contiguous acres available for development. Economic drivers in this edge market include Austin Peay State University, one of the fastest-growing in the state, and Fort Campbell Army Post, the largest employer in Tennessee and Kentucky. In

recent years, Robert Bosch LLC, Jostens Printing & Publishing Co., Quebecor World, American Standard Trane, Sanderson Pipe Corp., and MW/MB, have all announced capital investments in Clarksville.

Decatur/Morgan County, Ala.

Edge Market of Huntsville

Morgan County continues to be a consistent leader in Alabama for industry announcements. In calendar year 2007 alone Morgan County announced a total of 24 relocations and expansions.

Morgan County currently is planning a new business park development located along the Interstate 65 corridor which runs north and south through the county and the state. The first phase of the project involves approximately 150 acres and the total study area is approximately 1,800 acres.

Northern Kentucky

Edge Market of Cincinnati

Northern Kentucky is a region that offers the assets of a 2.1 million-plus metropolitan area while providing the convenience and affordability of a smaller community. Composed of Boone, Campbell and Kenton counties, it is in a central geographic location to reach markets east of the Mississippi River.

Northern Kentucky is also home to the Cincinnati/Northern Kentucky International Airport, which provides cargo and passenger service. The area has exceptional fiber optics thanks to Cincinnati Bell Telephone, which offers more than 90 percent digital service to all customers, pro-

viding an extensive network of self-healing fiber optics rings. All of these advantages explain why a strong number of businesses are expanding and continuing to grow in the region. Fifteen companies located or expanded their operations in Northern Kentucky in 2007, which are expected to create 1,355 new jobs.

Cleveland/Bradley County, Tenn.

Edge Market of Chattanooga

The local labor force numbers more than 320,000 within 25 miles of Cleveland/Bradley County. Nestled in the foothills of the Smoky Mountains, this market is about 29 miles from Chattanooga and 82 miles from Knoxville. It offers a skilled and diverse work force with employers ranging from food processing, corporate headquarters, and customer service centers, health care, financial services, education, retail trade and construction. Manufacturing is particularly strong in Bradley County with 147 manufacturers.

Cleveland/Bradley County also has a wealth of available product with good interstate access. Cleveland/Bradley County Industrial Park is located about 2.5 miles from Interstate 75 and Hiwassee River Industrial Park is located an eighth of a mile off I-75.

Salisbury, N.C.

Edge Market of Charlotte

Salisbury, which boasts 135,000 residents and several certified industrial sites, is strategically positioned between the fast-growing Charlotte metro region and the dynamic Winston-Salem, Greensboro and High Point markets. With exceptional transportation access, it offers a premier location for warehouses, manufacturing, and distribution facilities. The largest consolidated rail system in the country is centered in the region and more than 45 freight companies also call the region home. Getting to interstates is also easy with I-85, I-77 and I-40 immediately accessible. In addition, Salisbury is about 45 minutes from Charlotte Douglas International Airport and about 55 minutes from Triad International Airport in Greensboro. Among the companies doing business in Salisbury are Freightliner which employs more than 4,500 in its Rowan County manufacturing operations, grocery chain Food Lion, and soft drink company Cheerwine. ■